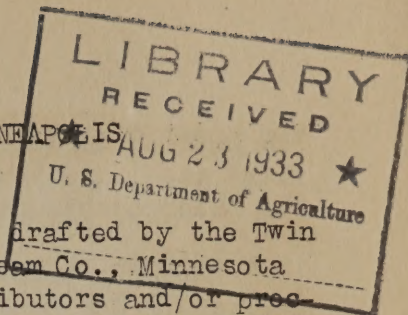


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St. Paul
TENTATIVE MARKETING AGREEMENT for ST. PAUL-MINNEAPOLIS



This proposed, tentative marketing agreement has been drafted by the Twin City Milk Producers Association, Northland Milk and Ice Cream Co., Minnesota Milk Co., Clover Leaf Creamery Co. and certain other distributors and/or processors of milk and its products, pending date of hearing before the Secretary of Agriculture at Washington, D. C.

MARKETING AGREEMENT

As used in this agreement, the following words and phrases shall be defined as follows:

- A. "Contracting producers" means and includes the Twin City Milk Producers Association, a non-profit corporation organized and existing under the laws of the State of Minnesota, and such other producers and associations of producers of "fluid milk" sold or consumed in the Twin City metropolitan area as may become parties signatory to this agreement according to the terms thereof.
- B. "Contracting distributors" means and includes such distributors and/or processors of "fluid milk" in the Twin City metropolitan area as may become parties signatory to this agreement according to the terms thereof.
- C. "Fluid Milk" means and includes fluid milk and fluid cream, and such fluid derivatives thereof as are sold by "contracting distributors" in the Twin City metropolitan area; fluid cream consists of all cream used except that cream which is used in the manufacture of ice cream, butter or cheese.
- D. "Twin City Metropolitan Area" means and includes the cities of St. Paul and Minneapolis and contiguous towns, villages, townships and United States Government Reservations.
- E. "Secretary" means the Secretary of Agriculture of the United States.
- F. "Act" means the Act of Congress entitled "An Act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extra-ordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933.
- G. The "Dairy Council" means the Twin City unit of the National Dairy Council, a non-profit organization organized under the laws of the State of Minnesota controlled jointly by the contracting producers and contracting distributors for advertising milk and health education.

THE PARTIES to this agreement are the "contracting producers", parties of the first part, and "contracting distributors", parties of the second part, and the "Secretary", party of the third part.

WHEREAS, pursuant to the "Act", the parties hereto, for the purpose of correcting the conditions now obtaining in the marketing of "fluid milk" in the Twin City Metropolitan Area, desire to enter into a marketing agreement under the provisions of Section 8 (2) of the "Act", and

WHEREAS, Twin City Milk Association markets more than 75% of the "fluid milk" distributed and consumed in the "Twin City Metropolitan Area" and represents that it has corporate power and authority to enter into this agreement, and

WHEREAS, the "contracting distributors" distribute more than 81 percent of the "fluid milk" distributed in the "Twin City Metropolitan Area", which said "fluid milk" comprises substantially all of the "fluid milk" marketed by the Twin City Milk Producers Association as aforesaid, and

Whereas, the marketing of "fluid milk" produced in the "Twin City Metropolitan Area" and distribution thereof affect and enter into both the current of interstate commerce and the current of intrastate commerce, which are inextricably intermingled,

NOW THEREFORE in consideration of the premises the parties hereto agree as follows:

1. The prices at which "fluid milk" shall be sold by the "contracting producers" and purchased by the "contracting distributors" for distribution or consumption in the "Twin City Metropolitan Area" shall be those set forth in Exhibit "A" which is attached hereto and made a part hereof. The price set forth in Exhibit "A" may be changed by agreement between contracting producers representing not less than 75% of all the individual producers who directly or through their cooperative organizations are contracting producers hereunder and 75% of the contracting distributors, provided that such price changes shall become effective only under the following conditions - (1) with the written approval of the Secretary, (2) If the Secretary has been given ten days written notice of the proposed change and the parties of the first part and second part have not been notified by him in writing of any objection to such change such change shall become effective until the Secretary shall have made such objection in writing.

2. The wholesale and retail prices at which "fluid milk" shall be distributed by the "contracting distributors" in the "Twin City Metropolitan Area" shall be those defined and set forth in Exhibit "B" which is attached hereto and made a part hereof and these prices shall apply to every user of "fluid milk" and "fluid cream" and any other price shall be a violation of this agreement. The prices set forth in Exhibit "B" may be changed by agreement between the "contracting producers" and "contracting distributors" in the manner set forth in paragraph 1 above for changing the prices in Exhibit "A".

3. The "contracting distributors" agree to contribute one-half cent per one hundred pounds of whole, fluid milk purchased by them for the support of the "Dairy Council" and similarly to collect from the producers supplying them with whole, fluid milk one half cent per one hundred pounds of milk sold to them. Said two amounts, totaling one cent per one hundred pounds, are to be paid to the treasurer of the "Dairy Council" not later than the 20th day of the calendar month for all milk purchased during the previous calendar month.

4. All producers of "Fluid Milk" not selling their product in the "Twin City Metropolitan Area" and the marketing of whose milk is not prohibited by the health laws and ordinances applicable to the marketing of milk in said metropolitan area and who are otherwise eligible for membership and upon compliance with the by-laws and regulations of the Twin City Milk Producers Association shall as heretofore be permitted as far as marketing conditions may allow to become members of the Twin City Milk Producers Association on an equal basis with existing members similarly situated.

5. The "contracting producers" and the "contracting distributors" shall, as and to the extent required by the "Secretary" severally maintain systems of accounting which shall be satisfactory to the "Secretary" and their respective books and records shall be subject to his examination during the usual hours of business and they shall severally from time to time furnish to the "Secretary" on and in accordance with forms to be supplied by the Department of Agriculture such information as the "Secretary" may request.

6. The health standards governing the production, receiving, transportation, processing, bottling and distribution of "fluid milk" sold or distributed in the "Twin City Metropolitan Area" shall be those established by the health ordinances of the cities in which it is sold and also the milk regulations of the States within the "Twin City Metropolitan Area".

7. This agreement shall become effective at such times as the "Secretary" may determine and shall continue in force until the last day of the month following the aforesaid effective date and thereafter from month to month, except that:

(a) The "Secretary" may (and shall upon the request of either 50 percent of the "contracting producers" or 50 percent of the "contracting distributors" such percentages to be measured by volume of "fluid milk" marketed or distributed respectively) by notice in writing deposited in the registered mail, and addressed to the Twin City Milk Producers Association, and the other contracting distributors, at the respective addresses now on file with the "Secretary" on or before the 20th day of any month terminate said contract as of the end of such month.

(b) The "Secretary" may for good cause shown as of the end of any month terminate this agreement as to any party or parties signatory hereto by notice in writing deposited on or before the 20th of such month in the registered mails and addressed to such party or parties at the address or addresses of such party or parties on file with the "Secretary".

(c) This agreement shall in any event terminate whenever Title 1 of the Act shall cease to be in effect or whenever the President or Congress shall terminate those provisions of the Act which authorize this agreement.

8. If any individual considers himself aggrieved by any action taken hereunder by any party or parties hereto, such individual may lay his case before the "Secretary" who shall thereafter take such action in reference thereto as he deems necessary to carry out the purpose of this marketing agreement in an equitable and fair manner.

9. The benefits, privileges and immunities conferred by virtue of this agreement shall cease to exist upon the termination of this agreement and the benefits, privileges and immunities conferred by virtue of this agreement upon any party or parties signatory hereto shall cease to exist upon the termination of this agreement as to such party or parties.

IN WITNESS THEREOF: ETC.

ADDRESS

Twin City Milk Producers Assn.

St. Paul, Minn.

By H. R. Leonard, Gen.Mgr.

Summit Farm

White Bear, Minn.

By Robert M. Hansen

Edgewood Dairy

St. Paul, Minn.

By W. E. Ungn

Alpha Creamery

" "

By Joe Ingber

St. Paul Milk Co.

" "

By P. H. Hanson, Sec.

Sanitary Farm Dairies, Inc.

" "

By M. Riedel, Secy. & Treas.

Independent Milk Co.

" "

By M. Riedel

Midway Creamery Co.

" "

By H. N. Sammel, per M.R.

City Dairy

" "

By Ernest Stuber

IN WITNESS THEREOF: ETC

ADDRESS

Northland Milk and Ice Cream Co.	Minneapolis, Minn.
By Edwin S. Elwell, Pres.	
Minnesota Milk Co.	St. Paul, Minn.
By L. H. Heller, Vice Pres.	
Clover Leaf Creamery Co.	Minneapolis, Minn.
By H. Nuohire, Mgr.	
Norris Creameries, Inc.	" "
By L. F. Norris, Pres.	
Young America Creamery, Inc.	" "
By John A. Hang, Pres.	
Franklin Coop. Creamery Assn.	" "
By T. A. Eide, Secy.	
Ohleen Dairy	" "
By E. Ohleen	
Johnson Bros. Dairy,	Robbinsdale, Minn.
By Geo. A. Johnson	
Ewald Bros. Sanitary Dairy	Minneapolis, Minn.
By R. C. Ewald	
Isles Dairy Co.	" "
By H. C. Johnson	
Maple Leaf Creamery	" "
By H. F. Hosfeld	
Birchwood Dairy Products Co.	" "
By D. F. D. E.	
Anton Nielsen Creamery Co.	" "
Anton Nielsen	
Superior Dairies, Inc.	" "
George Hanson	

EXHIBIT "A"

(8¢ Milk Basis)

For the purpose of this agreement "contracting distributors" shall be divided into four classes with regard to their method of purchasing "fluid milk". Said classes shall be as follows:

- (a) Those contracting distributors who buy a total supply of "fluid milk" from the Twin City Milk Producers Association.
- (b) Those contracting distributors who buy a part of their "fluid milk" supply from farmers not members of the Twin City Milk Producers Association but who augment up to a total supply of their milk with this exception from the Twin City Milk Producers Association.
- (c) Those contracting distributors who buy their supply of "fluid milk" from producers not members of the Twin City Milk Producers Association.
- (d) Those contracting producer distributors who produce, bottle and distribute raw (unpasteurized) milk and cream.

PRICES

The price paid by the "contracting distributors" in class "A" herein above mentioned, shall be \$1.42 per hundred for milk testing 3.5% butterfat with a differential of three cents (3¢) per hundred for each 1/10 of 1% butterfat content below or above said 3.5% butterfat. Said price to be f.o.b. plant of "contracting distributor".

The price paid by the "contracting distributor" in class "B" above, shall be \$1.42 per hundred for milk containing 3.5% butterfat with the same differential for each 1/10 of 1% butterfat below or above 3.5%. Said price f.o.b. "contracting distributors" plant in the city for such part of said milk as is purchased from the Twin City Milk Producers Association. The price paid producers by "contracting distributors" in "B" above, who are not members of the Twin City Milk Producers Association, shall be the price paid by the Twin City Milk Producers Association to their members for milk of same test and the difference between this price and \$1.42 per hundred shall be remitted by said "contracting distributor" to the Twin City Milk Producers Association as a service charge for regulating the supply and conditions of production of said producers not members of the Twin City Milk Producers Association.

The price paid by "contracting distributor" in paragraph C above shall be \$1.42 per hundred for milk containing 3.5% butterfat with a differential of three cents for each 1/10 of 1% butterfat content below or above 3.5% butterfat. Provided, however, that such "contracting distributor" shall be allowed to deduct the monthly expense which he incurs in handling such milk

and/or in processing or manufacturing said milk into by-products due to seasonal fluctuation in the production and/or sale of said "fluid milk". In spite of anything in this paragraph to the contrary the net price paid to producers for all milk received by said "contracting distributors" in this class, shall in no event be less for any calendar month, than the blended price paid by the Twin City Milk Producers Association to its producers for the same month. Provided, further, however, that if said milk is delivered to a plant outside of the city, a reasonable delivery charge may be deducted by the "contracting distributors" for delivery into the city. This delivery charge shall in no event, exceed 1/2¢ per mile for each one hundred pounds of milk so delivered.

The price to be paid by "contracting distributors" in Class "D" above is not set forth for obvious reasons. However, they are to receive all of the benefits, privileges and immunities conferred by virtue of this agreement and shall be bound by all other conditions and prices set forth herein and subject to all the penalties herein provided.

PRICES OF FLUID CREAM

Realizing that the price paid by "contracting distributors" for their cream whether said cream is purchased from the Twin City Milk Producers Association or from other creameries, has a direct effect upon the amount that can be paid to producers whose milk goes into cream which eventually reaches the Twin City market, "contracting distributors", are to pay said creameries or Twin City Milk Producers Association New York Extras plus 22% over-run from the first day of November up to and including the 30th day of June and New York Extras plus 25% over-run from the first day of July up to and including the 31st day of October, both prices being f.o.b. plant of "contracting distributors" and only to affect that portion of the cream purchased by "contracting distributors" which is used as fluid or market cream.

PRODUCERS PRICES 9¢ MILK BASIS

The price paid by the "contracting distributors" in Class "A" herein above mentioned, shall be \$1.70 per hundred for milk testing 3.5% butterfat with a differential of three cents (3¢) per hundred for each 1/10 of 1% butterfat content below or above said 3.5% butterfat. Said price to be f.o.b. plant of "contracting distributor".

The price paid by the "contracting distributor" in class "B" above, shall be \$1.70 per hundred for milk containing 3.5% butterfat with the same differential for each 1/10 of 1% butterfat below or above 3.5%. Said price f.o.b. "contracting distributors" plant in the city for such part of said milk as is purchased from the Twin City Milk Producers Association. The price paid producers by "contracting distributors" in "B" above, who are not members of the Twin City Milk Producers Association, shall be the price paid by the Twin City Milk Producers Association to their members for milk of same test and the difference between this price and \$1.70 per hundred

shall be remitted by said "contracting distributor" to the Twin City Milk Producers Association as a service charge for regulating the supply and conditions of production of said producers not members of the Twin City Milk Producers Association.

The price paid by "contracting distributor" in paragraph C above shall be \$1.70 per hundred for milk containing 3.5% butterfat with a differential of three cents for each 1/10 of 1% butterfat content below or above 3.5% butterfat. Provided, however, that such "contracting distributor" shall be allowed to deduct the monthly expense which he incurs in handling such milk and/or in processing or manufacturing said milk into by-products due to seasonal fluctuation in the production and/or sale of said "fluid milk". In spite of anything in this paragraph to the contrary the net price paid to producers for all milk received by said "contracting distributors" in this class, shall in no event be less for any calendar month, than the blended price paid by the Twin City Milk Producers Association to its producers for the same month. Provided, further, however, that if said milk is delivered to a plant outside of the city, a reasonable delivery charge may be deducted by the "contracting distributors" for delivery into the city. This delivery charge shall in no event, exceed 1/2 per mile for each one hundred pounds of milk so delivered.

The price to be paid by "contracting distributors" in class "D" above is not set forth for obvious reasons. However, they are to receive all of the benefits, privileges and immunities conferred by virtue of this agreement and shall be bound by all other conditions and prices set forth herein and subject to all the penalties herein provided.

PRICES OF FLUID CREAM

Realizing that the price paid by "contracting distributors" for their cream whether said cream is purchased from the Twin City Milk Producers Association or from other creameries, has a direct effect upon the amount that can be paid to producers whose milk goes into cream which eventually reaches the Twin City market, "contracting distributors", are to pay said creameries or Twin City Milk Producers Association New York Extras plus 22% over-run from the first day of November up to and including the 30th day of June and New York Extras plus 25% over-run from the first day of July up to and including the 31st day of October, both prices being f.o.b. plant of "contracting distributors" and only to affect that portion of the cream purchased by "contracting distributors" which is used as fluid or market cream.

EXHIBIT "B"

WHOLESALE AND RETAIL PRICES
(8¢ Milk Basis.)

	<u>Retail</u>	<u>Wholesale</u>	<u>Peddler</u>
<u>3.5 - 3.7 Milk</u>			
Gallons		24¢	20¢
Quarts	8¢	6-1/2¢	5¢
Pints	6¢	5¢	4¢
1/2 Pints		2-1/2¢	2¢
<u>4.8 - 5.1 Milk (Prices given for this grade to be minimum and not maximum.)</u>			
Gallons		36¢	31¢
Quarts	11¢	9-1/2¢	8¢
Pints	8¢	7¢	5-1/2¢
1/2 Pints		4¢	3¢
<u>Vitamin D. Milk</u>			
Gallons			27¢
Quarts	10¢	8-1/2¢	7¢
Pints	8¢	7¢	6¢
1/2 Pints		3¢	2-1/4¢
<u>Cultured or Natural Buttermilk less than 1/2% butterfat</u>			
Gallons		15¢	11¢
Quarts	6¢	5¢	3-1/2¢
Pints	4¢	2-1/2¢	1-3/4¢
1/2 Pints		2¢	1-1/2¢
<u>Cultured Buttermilk 2.5 - 3.7% butterfat</u>			
Gallons			24¢
Quarts	11¢	9-1/2¢	7¢
Pints	7¢	6¢	4¢
1/2 Pints		2-3/4¢	2¢
<u>Skim Milk</u>			
Gallons		15¢	11¢
Quarts	6¢	5¢	3-1/2¢
Pints			
1/2 Pints			

EXHIBIT "B" CONT'D

WHOLESALE AND RETAIL PRICES
(8¢ Milk Basis)

	<u>Retail</u>	<u>Wholesale</u>	<u>Peddler</u>
<u>Chocolate Milk</u>			
Gallons			
Quarts	10¢	8¢	6¢
Pints	5¢	4¢	3¢
1/2 Pints			
<u>Certified Milk</u>			
Gallons			
Quarts			
Pints			
1/2 Pints			
<u>Cream 23 to 26%</u>			
Gallons		1.30	1.10
Quarts	36¢	33¢	29¢
Pints	20¢	17¢	14¢
1/2 Pints	11¢	9-1/2¢	7-1/2¢
<u>Cream 33 to 37%</u>			
Gallons		1.60	1.40
Quarts	45¢	40¢	35¢
Pints	23¢	21¢	17¢
1/2 Pints	13¢	11-1/2¢	9-1/2¢
<u>CULTURED</u>			
<u>Sour Cream 22- 26%</u>			
Gallons		1.40	1.20
Quarts	44¢	35¢	31¢
Pints	22¢	19¢	16¢
1/2 Pints	12¢	10-1/2¢	8-1/2¢

RAW MILK

Prices to be charged for raw milk and cream in any of the classifications above mentioned are not to be less than the price provided in similar classifications above. However, as raw milk constitutes only a small percentage of the milk sold and many of these producer distributors are producing under special conditions which compare favorably with those required for certified milk, these prices shall be considered as minimum, but the maximum prices for raw milk are not stipulated.

EXHIBIT "B" CONT'D

WHOLESALE AND RETAIL PRICES
(9¢ Milk Basis)

	Retail	Wholesale	Peddler
<u>3.5 - 3.7 Milk</u>			
Gallons		27¢	23¢
Quarts	9¢	7-1/2¢	6¢
Pints	6¢	5¢	4¢
1/2 Pints		2-1/2¢	2¢
<u>4.8 - 5.1 Milk (Prices given for this grade to be minimum and not maximum.)</u>			
Gallons		39¢	34¢
Quarts	12¢	10-1/2¢	9¢
Pints	8¢	7¢	5-1/2¢
1/2 Pints		4¢	3¢
<u>Vitamin D Milk</u>			
Gallons			30¢
Quarts	11¢	9-1/2¢	8¢
Pints	8¢	7¢	6¢
1/2 Pints		3¢	2-1/4¢
<u>Cultured or Natural Buttermilk less than 1/3% butterfat</u>			
Gallons		15¢	11¢
Quarts	6¢	5¢	3-1/2¢
Pints	4¢	2-1/2¢	1-3/4¢
1/2 Pints		2¢	1-1/2¢
<u>Cultured buttermilk 2.5 - 3.7% Butterfat</u>			
Gallons			27¢
Quarts	12¢	10-1/2¢	8¢
Pints	8¢	7¢	5¢
1/2 Pints		2-3/4¢	2¢
<u>Skim Milk</u>			
Gallons		15¢	11¢
Quarts	6¢	5¢	3-1/2¢
Pints			
1/2 Pints			

EXHIBIT "B" CONT'D

WHOLESALE AND RETAIL PRICES
(9¢ Milk Basis)

	<u>Retail</u>	<u>Wholesale</u>	<u>Peddler</u>
<u>Chocolate Milk</u>			
<u>2.5 - 3.7% butterfat</u>			
Gallons			
Quarts			
Pints	10¢	8¢	6¢
1/2 Pints	5¢	4¢	3¢
<u>Certified Milk</u>			
Gallons			
Quarts			
Pints			
1/2 pints			
			<u>Peddler and</u> <u>Other Contr. Distr.</u>
<u>Cream 23 to 26%</u>			
Gallons		1.30	1.10
Quarts	36¢	33¢	29¢
Pints	20¢	17¢	14¢
1/2 Pints	12¢	10-1/2¢	8-1/2¢
<u>Cream 33 to 37%</u>			
Gallons		1.68	1.48
Quarts	47¢	42¢	37¢
Pints	25¢	22¢	19¢
1/2 Pints	14¢	12-1/2¢	10-1/2¢
<u>Cultured</u>			
<u>Sour Cream 22 - 26%</u>			
Gallons		1.40	1.20
Quarts	44¢	35¢	31¢
Pints	22¢	19¢	16¢
1/2 Pints	13¢	11-1/2¢	9-1/2¢

RAW MILK

Prices to be charged for raw milk and cream in any of the classifications above mentioned are not to be less than the price provided in similar classifications above. However, as raw milk constitutes only a small percentage of the milk sold and many of these producer distributors are producing under special conditions which compare favorably with those required for certified milk these prices shall be considered as minimum but the maximum prices for raw milk are not stipulated.

EXHIBIT "C"

RULES AND REGULATIONS

1. DISCOUNTS, REBATES, ETC.

Since the following practices increase the cost of distribution, thus either lowering the price to the producer or raising the price to the consumer, they are prohibited during the life of this agreement:

- (A) Giving away merchandise or any other thing of value to present or prospective customers either as a sample or as an inducement in obtaining or holding business.
- (B) Selling products actually containing a higher percent of butterfat than specified in Exhibit "B". (It is contemplated that there is sufficient variation in the allowable butterfat of the various classes of milk and cream enumerated in Exhibit "B" so that at no time it be necessary for a distributor to sell milk of a higher butterfat content than therein enumerated, and in order that occasional samples shall not exceed the maximum butterfat as listed in Exhibit "B", dealers shall attempt to standardize at least $1/10$ of 1% lower than the maximum allowable butterfat in milk and $5/10$ of 1% lower than the maximum allowable butterfat in cream.)
- (C) Substituting products containing a higher percent of butterfat even though they be properly marked if a higher price is not charged.
- (D) The giving of gratuities of merchandise or any other thing of value to any individual who is or claims to be in a position, confidential or otherwise, to influence others to give their patronage to the dealer.
- (E) The granting of discounts, rebates or special prices not specifically enumerated in exhibit "B", except that it shall not be considered a violation to grant a discount of not more than one cent per cent per quart to organized charities or municipal, county, State or federal public relief agencies when said milk is to be distributed to the home of the recipient.
- (F) The furnishing of equipment, signs or any kind of labor, or material, or anything of value, either as a gift, or a loan, as an inducement in obtaining or holding business.
- (G) The furnishing of merchandise or any other thing of value to any organization, religious, social or philanthropic, even if it cannot be proven to have been done in order to obtain or hold business. (Annual contributions to philanthropic or charitable organizations or dues or published contributions to religious or social organizations to which distributor or its officers are members shall not constitute a violation of this paragraph.)

- (H) Giving commissions, bonuses or rebates to any organization for the patronage of its members, friends or supporters.
- (I) Purchasing of any tickets or chances of any nature even if it cannot be proven to have been done in order to obtain or hold business.
- (J) The conducting of exhibits or displays at fairs or places of amusement, or the placing of floats in parades except when cooperatively conducted by the "Dairy Council".
- (K) Distributors now maintaining bands, glee clubs, or athletic organizations may continue to support them. Their exhibition, however, shall not be used to obtain or hold business and their appearance shall never be made contingent upon the obtaining or holding of business and they may be disbanded by order of the "Secretary".

2. PRODUCTS AND PACKAGES

Since the practice of adding new grades and qualities of merchandise to those already existing as well as the practice of adding new types of packages to those already existing add to the cost of production and distribution, thus either lowering the price to the producer or raising the price to the consumer, they are prohibited during the life of this agreement.

- (A) The use of special caps on the market grades of milk and cream. (Special caps on "Certified Milk", "4.8 to 5.1%" milk, "Vitamin D" milk, and "33 to 37%" cream will be permitted as these products are only used by a special group of customers.)
- (B) The use of special bottles and packages other than those already in use in the Twin City area.
- (C) Selling milk or cream with a butterfat content not enumerated in exhibit "D".
- (D) Refusing to sell another "contracting distributor" any product enumerated in Schedule "D" at the price listed for said product in peddler column (when said sale is not prohibited by law) or entering into (after the effective date of this contract) any contract which prohibits such sales.
- (E) Using special bottles and/or markings and/or labels on bottles which tend to make them unusable to other dealers in the regular course of exchange except where such bottle has been in use more than six months prior to the effective date of this contract. A charge of three cents per bottle shall be made wherever bottles are sold.
(Note: The bottle cost in this "district" has always been very low due to the fact that dealers use any bottle irrespective of name on same.)

3. DESTRUCTIVE COMPETITIVE METHODS

Since the following practices increase the cost of distribution, thus either lowering the price to the producer or raising the price to the consumer, they are prohibited during the life of this agreement:

- (A) Advertising in programs, year books rosters, cook books, buyers' guides, church, club or lodge publications and in fact advertising in any medium not published and sold at regular stated intervals. (Cooperative advertising by the "Dairy Council" in any medium shall at all times be permitted.)
- (B) The use of leads purchased or obtained from any real estate firm, moving, gas or telephone company or any other agencies.
- (C) Affiliating with organizations whose purposes it is to advertise various products cooperatively and which are supported by the various companies so advertised as exemplified by "manufacturers' dinners" and "greeter wagons"
- (D) Using the buying power or promising to use the buying power of the company, employees and friends as a means of securing new business or holding old business.
- (E) Selling large or special retail customers at wholesale prices.
- (F) The employment of persons, firms or agencies other than regular drivers and relief men in the solicitation of retail business.
- (G) Failing to discontinue service to any store who is reselling milk or cream at a price other than the retail price in Exhibit "D".

4. CREDIT

Since the granting and extending of credit when abused adds to the cost of distribution, thus either lowering the price to the producer or raising the price to the consumer, the following rules shall be effective during the life of this agreement.

- (A) No retail customer shall be granted more than 70 days credit and at the expiration of that period shall only be sold for cash. No wholesale customer shall be granted more than 40 days credit and at the expiration of that time shall be sold only for cash; provided, however, that customers owing balance of longer duration at the effective date of this contract, may be continued on a credit basis if collections during any calendar month prior to the 10th day of the following month are equal to or exceed the purchases during said calendar month.
- (B) No dealer shall knowingly extend credit to any customer who is owing any other distributor any undisputed and past due account for merchandise, and it shall be the duty of all dealers to make reasonable efforts to determine if any customer is owing any other dealer before credit is extended.

EXHIBIT "C" CONT'D

- (C) No dealer shall make any loan of any nature to either obtain or hold business.
- (D) No dealer shall finance the purchase of any equipment nor indorse any note of any customer.

5. PERSONNEL

Since various practices in the hiring and management of employees add to the cost of production and distribution, and further since many such practices which seem harmless when initiated lead to serious competitive abuses, the following are prohibited during the life of this agreement:

- (A) Selling milk and cream to any peddler who the distributor is not selling at the effective date of this agreement.
- (B) Selling milk and cream to any peddler who on the effective date of this agreement is buying milk and cream from some other contracting distributor.
- (C) The hiring of any driver within a period of 30 days after he leaves the employ of another "contracting distributor" without the written consent of former employer.
- (D) Allowing any driver to distribute milk in a district in which he had distributed milk for another "contracting distributor" for a period of not less than three months after he had distributed milk in said district.
- (E) The holding of any contests for drivers or salesmen wherein special prizes or bonuses are offered for obtaining new business.
- (F) Contacting retail customers who have discontinued the service of a "Contracting distributor" through employees other than drivers and relief men with the exception that one office employee may make one call on a retail customer who has discontinued service in an attempt to regain her patronage. This call, however, shall be made not more than 48 hours after the customer has discontinued service.
- (G) Hiring of an employee indebted to a signator of this contract without assuming the obligation.
- (H) Failing to discharge an employee who has, on his own account and without the consent of the company, given discounts, rebates, special prices as enumerated in Section (1) of these regulations.

EXHIBIT "C" CONT'D

6. The following classes of customers shall be considered wholesale:

Restaurants, hotels, peddlers, hospitals, stores, schools, fraternities, sororities, drug stores, meat markets, government and state institutions, churches, lodges and military posts, provided however, that if a dealer is selling any such customer less than six (6) quarts of milk per day it shall be billed and paid for at retail price.

